

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF INDIANA  
INDIANAPOLIS DIVISION**

In re:

hhgregg, Inc., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 17-01302-11

(Jointly Administered)

**SUMMARY OF THIRD INTERIM APPLICATION OF  
MORGAN, LEWIS & BOCKIUS LLP FOR ALLOWANCE OF COMPENSATION  
FOR SERVICES RENDERED AND FOR REIMBURSEMENT OF EXPENSES  
AS CO-COUNSEL TO THE DEBTORS FOR THE PERIOD OF  
SEPTEMBER 1, 2017 THROUGH NOVEMBER 30, 2017**

Name of Applicant:

Morgan, Lewis & Bockius LLP

Authorized to Provide Professional Services to:

Debtors

Date of Retention:

March 6, 2017

Interim period for which compensation and  
reimbursement is sought:

September 1, 2017 through November 30, 2017

Amount of compensation sought as actual,  
reasonable and necessary:

\$301,508.50

Amount of expense reimbursement sought as actual,  
reasonable and necessary:

\$3,182.03

Date of Order Approving Retention:

May 1, 2017, *nunc pro tunc* to March 6, 2017

This is a: \_\_\_ monthly X interim \_\_\_ final application

<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: hhgregg, Inc. (0538); Gregg Appliances, Inc. (9508); HHG Distributing LLC (5875). The location of the Debtors' corporate headquarters is 4151 E. 96th Street, Indianapolis, IN 46240.

Summary of fee applications for the compensation period:

<b>Date Filed/ Docket No.</b>	<b>Period Covered</b>	<b>Requested</b>		<b>Approved</b>	
		<b>Fees</b>	<b>Expenses</b>	<b>Fees</b>	<b>Expenses</b>
10/12/17 #1755	09/01/17-09/30/17	\$119,995.00	\$0.00	\$95,996.00	\$0.00
11/14/17 #1847	10/01/17-10/31/17	\$115,741.00	\$1,735.26	\$92,592.80	\$1,735.26
12/15/17 #2109	11/01/17-11/30/17	\$65,772.50	\$1,446.77	\$52,618.00*	\$1,446.77*

\* Pending expiration of review period

**SUMMARY OF INTERIM FEE APPLICATION**

Name of Applicant	Morgan, Lewis & Bockius LLP
Name of Client	Debtors
Time period covered by Interim Fee Application	September 1, 2017 through November 30, 2017
Total compensation sought during the Interim Fee Application Period	\$301,508.50
Total expenses sought during the Interim Fee Application Period	\$3,182.03
Petition Date	March 6, 2017
Retention Date	March 6, 2017
Date of order approving employment	May 1, 2017
Total compensation approved by Interim Order to date	\$1,443,944.00
Total expenses approved by Interim Order to date	\$9,227.17
Blended rate in the Interim Fee Application for all attorneys	\$811.00
Blended rate in the Interim Fee Application for all timekeepers	\$801.00
Compensation sought in the Interim Fee Application already paid pursuant to a monthly compensation order but not yet allowed	\$0.00
Expenses sought in the Interim Fee Application already paid pursuant to a monthly compensation order but not yet allowed	\$0.00
Number of professionals included in the Interim Fee Application	10
If applicable, number of professionals in the Interim Fee Application not included in staffing plan approved by client	N/A
If applicable, difference between fees budgeted and compensation sought during the Application Period	N/A
Number of professionals billing fewer than 15 hours to the case during the Interim Fee Application Period	6
Are any rates higher than those approved or disclosed at retention?	No

**COMPENSATION PERIOD TIMEKEEPER SUMMARY**

September 1, 2017 – November 30, 2017

<b>Name</b>	<b>Title or Position</b>	<b>Department, Group or Section</b>	<b>Year of First Admission</b>	<b>Hours Billed in this Application</b>	<b>Hourly Rate Billed in this Application</b>	<b>Total Compensation</b>
A. J. Gallo	Partner	Finance	2000	71.20	900.00	64,080.00
A. J. Gallo	Partner	Finance	2000	8.80	450.00*	3,960.00
N. E. Herman	Partner	Finance	1986	142.40	985.00	140,264.00
C. E. Melendi	Partner	Corporate	2000	1.00	875.00	875.00
E. E. Smith	Partner	Finance	1974	6.10	1,400.00	8,540.00
R. J. Mauceri	Of Counsel	Finance	2002	32.40	730.00	23,652.00
N. P. Bruhn	Associate	Litigation	2011	48.40	645.00	31,218.00
K. Lindsay	Associate	Finance	2008	3.30	715.00	2,359.50
L. McCarthy	Associate	Finance	2015	43.50	380.00	16,530.00
M. C. Ziegler	Associate	Finance	2011	11.00	635.00	6,985.00
D. Renken	Paralegal	Finance	-----	8.70	350.00	3,045.00
<b>TOTALS:</b>				<b>376.80</b>		<b>\$301,508.50</b>

\*Time marked with an asterisk represents non-working travel time, which has been reduced by 50%

**COMPENSATION PROJECT CATEGORY**

September 1, 2017 – November 30, 2017

<b>Project Category</b>	<b>Total Hours</b>	<b>Total Fees</b>
Case Administration (0098)	10.50	10,232.50
Cash Collateral & Financing (0099)	23.10	22,753.50
Claims Administration (0100)	18.30	17,923.50
Committee Investigation (0101)	0.00	0.00
Creditor Communication (0102)	.50	359.00
Employee Matters (0103)	.60	591.00
General Corporate Bankruptcy (0104)	0.00	0.00
Morgan Lewis Fee Applications (0105)	11.00	5,106.50
Fee Applications – Other Professionals (0106)	0.00	0.00
Hearings – Litigation (0107)	53.10	51,411.00
Insurance (0108)	.60	591.00
Plan & Disclosure Statement (0109)	0.00	0.00
Real Estate (Contracts and Leases) (0110)	69.70	56,244.00
Morgan Lewis Retention Application (0111)	0.00	0.00
Sale of Assets (0112)	1.60	1,576.00
Tax Issues (0113)	0.00	0.00
Non-Working Travel (0114)	8.80	3,960.00
Vendors (0115)	179.00	130,760.50
<b>TOTAL</b>	<b>376.80</b>	<b>301,508.50</b>

**EXPENSE SUMMARY**

September 1, 2017 – November 30, 2017

<b>Category</b>	<b>Amount</b>
Airline Tickets	1,874.75
Taxi	422.31
Legal Computer Research	210.07
Meals	75.49
Hotel	489.06
<b>TOTAL</b>	110.35
	<b>\$3,182.03</b>

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FOR THE SOUTHERN DISTRICT OF INDIANA  
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In re:

hhgregg, Inc., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 17-01302-11

(Jointly Administered)

**THIRD INTERIM APPLICATION OF MORGAN, LEWIS & BOCKIUS LLP  
FOR ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND  
FOR REIMBURSEMENT OF EXPENSES AS CO-COUNSEL TO THE DEBTORS FOR  
THE PERIOD OF SEPTEMBER 1, 2017 THROUGH NOVEMBER 30, 2017**

1. Pursuant to sections 330 and 331 of title 11 of the United States Code (the “Bankruptcy Code”), and Rule 2016 of the Federal Rules of Bankruptcy Procedure, and in accordance with that certain *Order Authorizing the Debtors to Retain Morgan, Lewis & Bockius LLP as Co-Counsel Under 11 U.S.C. § 327(a), Nunc Pro Tunc to the Petition Date* [Docket No. 918] (the “Retention Order”) and that certain *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals*, dated April 19, 2017 [D.I. 817] (the “Interim Compensation Order”), the law firm of Morgan, Lewis & Bockius LLP (“Morgan Lewis”), co-counsel to the above-captioned debtors (the “Debtors”), hereby applies to the Court for reasonable compensation for professional legal services (the “Application”) in the amount of \$301,508.50 and reimbursement of expenses of \$3,182.03 for the interim period commencing

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<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: hhgregg, Inc. (0538); Gregg Appliances, Inc. (9508); HHG Distributing LLC (5875). The location of the Debtors’ corporate headquarters is 4151 E. 96th Street, Indianapolis, IN 46240.

September 1, 2017 through and including November 30, 2017 (the “Interim Fee Period”). In support of this Application, Morgan Lewis respectfully represents as follows:

### **BACKGROUND**

2. On March 6, 2017 (the “Petition Date”), the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

3. The Debtors continues to operate as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, or examiner has been appointed in the Debtor’s chapter 11 case (the “Chapter 11 Case”).

4. Pursuant to the Retention Order, Morgan Lewis was retained to represent the Debtors as co-counsel in connection with these chapter 11 cases, effective as of the Petition Date. The Retention Order authorized Morgan Lewis to be compensated on an hourly basis and to be reimbursed for actual and necessary out-of-pocket expenses.

### **COMPENSATION PAID AND ITS SOURCE**

5. All services for which compensation is requested by Morgan Lewis were performed for or on behalf of the Debtors.

6. During the Interim Fee Period, Morgan Lewis has received no payment and no promises for payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with the matters covered by this Application. There is no agreement or understanding between Morgan Lewis and any other person other than the partners of the firm, for the sharing of compensation to be received for services rendered in these cases.

### **SUMMARY OF SERVICES RENDERED**

7. To provide an orderly and meaningful summary of the services rendered on behalf of the Debtors by Morgan Lewis, eighteen (18) different project billing categories have been



established for these chapter 11 cases. The following is a summary of the professional services rendered by Morgan Lewis during the Interim Fee Period, but is not intended to be a detailed description of all the work performed. Detailed descriptions of the day to day services provided by Morgan Lewis and time expended performing such services in each project billing category were attached to each Notice of Draw filed monthly with this Court.

**0098 Case Administration**

Interim Fee Period: Fees: \$10,232.50; Hours: 10.50

This category includes all matters related to filing documents with the Bankruptcy Court, service thereof, maintenance of calendars, communications with the U.S. Trustee, review of work in process reports and other matters relating to the daily administration of the Debtor's chapter 11 cases.

**0099 Cash Collateral & Financing**

Interim Fee Period: Fees: \$22,753.50; Hours: 23.10

This category includes all matters relating to the Debtor's use of cash collateral, including drafting stipulation and pleadings and negotiations with secured creditors.

**0100 Claims Administration**

Interim Fee Period: Fees: \$17,923.50; Hours: 18.30

This category includes all matters relating to claims administration matters and related contested matters.

**0101 Committee Investigation**

Interim Fee Period: Fees: \$0.00; Hours: 0.00

This category would include all matters relating to an investigation by an official committee in this Chapter 11 Case. The Official Committee of Unsecured Creditors (the "Committee") has not commenced any such examination.

**0102 Creditor Communication**

Interim Fee Period: Fees: \$359.00; Hours: .50

This category includes all matters related to responding to creditors and the Committee.

**0103 Employee Matters**

Interim Fee Period: Fees: \$591.00; Hours: .60

This category includes all matters relating to employee wages, benefits, collective bargaining issues, other employee relation matters, ERISA, retiree benefits and director/officer liability insurance.

**0104 General Corporate Bankruptcy**

Interim Fee Period: Fees: \$0.00; Hours: 0.00

This category includes all other matters relating to the Debtors and these Chapter 11 Case that do not fall within the scope of one of the other matters described in this Application.

**0105 Morgan Lewis Fee Applications**

Interim Fee Period: Fees: \$5,106.00; Hours: 11.00

This category includes all matters related to preparing, filing and prosecuting fee applications on behalf of Morgan Lewis.

**0106 Fee Applications – Other Professionals**

Interim Fee Period: Fees: \$0.00; Hours: 0.00

This category includes all matters related to preparing applications to retain attorneys other than Morgan Lewis and other professionals hired by the estates.

**0107 Hearings - Litigation**

Interim Fee Period: Fees: \$51,411.00; Hours: 53.10

This category includes preparation for and attendance at all bankruptcy hearings

**0108 Insurance**

Interim Fee Period: Fees: \$591.00; Hours: .60

This category includes all matters related to the Debtor's insurance arrangements.

**0109 Plan & Disclosure Statement**

Interim Fee Period: Fees: \$0.00; Hours: 0.00

This category would include all matters related to preparing a Plan and Disclosure Statement.

**0110 Real Estate (Contracts and Leases)**

Interim Fee Period: Fees: \$56,244.00; Hours: 69.70

This category includes all matters related to contract and lease analysis and matters related to assumption, assignment or rejection of executory contracts and unexpired leases.

**0111 Morgan Lewis Retention Application**

Interim Fee Period: Fees: \$0.00; Hours: 0.00

This category includes all matters related to preparing the application to retain Morgan Lewis as Debtor's counsel and all related documentation, as well as responding to related inquiries.

**0112 Sale of Assets**

Interim Fee Period: Fees: \$1,576.00; Hours: 1.60

This category includes all matters relating to the sale of any assets and the going out of business sales, including drafting agreements, pleadings and negotiations with bidders.

**0113 Tax Issues**

Interim Fee Period: Fees: \$0.00; Hours: 0.00

This category includes all matters relating to tax issues at the federal, state or local level.

**0114 Non-Working Travel**

Interim Fee Period: Fees: \$3,960.00; Hours: 8.80

This category includes all travel time not otherwise chargeable. All fees in this category are charged at 50% the timekeeper's normal rate.

**0115 Vendors**

Interim Fee Period: Fees: \$130,760.50; Hours: 179.00

This category includes all matters relating to the communication and negotiation with vendors.

**BUDGET AND STAFFING PLAN**

8. The Debtors' budget and staffing plan for these chapter 11 cases has been incorporated into the DIP budget, which has been filed separately in these chapter 11 cases.

**BLENDED RATE SCHEDULE**

9. A blended rate schedule, as requested by Appendix B to UST Guidelines is attached hereto as Exhibit A.

**INTERIM FEE PERIOD REQUEST FOR COMPENSATION**

10. By this Application, Morgan Lewis requests entry of an Order (i) approving its fees and expenses incurred during the Interim Fee Period on an interim basis; and (ii) directing the Debtors to pay Morgan Lewis any remaining unpaid fees and expenses.

11. Morgan Lewis' billing statements, attached hereto as Exhibit B, set forth in detail the nature of the legal services rendered by Morgan Lewis, the dates on which Morgan Lewis personnel rendered such legal services, the identity of Morgan Lewis attorneys and paralegals who performed such legal services, the time spent by each of Morgan Lewis' personnel in performing such legal services, the hourly rate charged for each of the professionals, the amount of fees attributable to each such legal service performed by Morgan Lewis attorneys, and break time and expenses out into matters related to well-defined categories of services.

***A. 12. Morgan Lewis maintains computerized records of the time spent by all Morgan Lewis attorneys and paraprofessionals in connection with the prosecution of these chapter 11 cases. Copies of these computerized records are attached hereto as Exhibit B and have been furnished to the Debtors, the Bankruptcy Court, Counsel for the Committee, the U.S. Trustee, and other parties in interest in the format specified by the Fee Guidelines.***

13. The attached summary cover sheet contains a summary of total fees for the Interim Fee Period. The amount of fees incurred during the Interim Fee Period totals three hundred one thousand, five hundred and eight dollars and 50/100 Dollars (\$301,508.50). All of the services performed by Morgan Lewis are set forth in Exhibit B and have been billed at the discounted hourly rates established by Morgan Lewis by all denoted timekeepers.

14. During the Interim Fee Period, Morgan Lewis billed the Debtors for time expended based on hourly rates ranging from \$380.00 to \$1,400.00 per hour for attorneys and \$350.00 for paraprofessionals. Allowance of compensation in the amount requested would result in a blended hourly billing rate of approximately \$801.00 (based on 376.80 recorded hours for

attorneys and paraprofessionals at Morgan Lewis' agreed billing rates in effect at the time of the performance of services).

15. During the Interim Fee Period, Morgan Lewis attorneys and paraprofessionals expended a total of 376.80 hours in connection with the necessary services performed. Morgan Lewis is seeking allowance of the entire amount of its fees. The professional services performed by Morgan Lewis on behalf of the Debtors during the Interim Fee Period required an aggregate expenditure of 368.10 hours by Morgan Lewis' attorneys. Of the aggregate time expended, 229.50 recorded hours were expended by partners of Morgan Lewis, 32.40 recorded hours were expended by of counsel, and 106.20 recorded hours were expended by associates.

16. The attached summary cover sheet contains a summary of Timekeepers Included in Fee Application which lists Morgan Lewis professionals, paraprofessionals, and other non-legal staff who have performed services for the Debtors during the Interim Fee Period, the capacities in which each individual is employed by Morgan Lewis, the department in which each individual practices, the hourly billing rate charged by Morgan Lewis for services performed by such individuals, the year in which each attorney was first licensed to practice law, where applicable, and the aggregate number of hours expended in this matter and fees billed therefor. The hourly billing rates for legal services are identical to the rates generally charged by Morgan Lewis to its non-bankruptcy clients.

17. The attached summary cover sheet contains a summary of Compensation by Project Category, which summarizes all of Morgan Lewis' time records billed during the Interim Fee Period using project categories hereinafter described.

18. During the Interim Fee Period, as itemized and summarized in Exhibit B, Morgan Lewis incurred expenses in connection with its representation of the Debtors totaling three

thousand, one hundred eighty-two dollars and 03/100 Dollars (\$3,182.03). The attached summary cover sheet contains an Expense Summary specifying the categories of expenses for which Morgan Lewis is seeking reimbursement and the total amount for each such expense category. Itemized schedules of all such expenses are included with Morgan Lewis' fee statements, provided to the Debtors, the Bankruptcy Court, counsel for the Committee, the U.S. Trustee, and other parties in interest. Morgan Lewis submits that each expenditure was a necessary and reasonable cost incident to the performance of Morgan Lewis' services for the Debtors.

19. Attached hereto as Exhibit C is an Affidavit of Neil E. Herman certifying compliance with the Fee Guidelines.

20. Morgan Lewis reserves the right to request additional compensation for the Interim Fee Period to the extent that time or disbursement charges for services rendered or disbursements incurred relate to the Interim Fee Period.

#### **ACTUAL AND NECESSARY EXPENSES**

21. Morgan Lewis disbursed \$3,182.03 as expenses incurred in providing professional services during the Interim Fee Period. These expenses are reasonable and necessary and were essential to providing the professional services during the Interim Fee Period.

#### **INTERIM FEE PERIOD ALLOWANCE**

22. Section 331 of the Bankruptcy Code provides for interim compensation of professionals and incorporates the substantive standards of section 330 of the Bankruptcy Code to govern the Court's award of such compensation. Section 330 provides that a Court may award a professional employed under section 327 of the Bankruptcy Code "reasonable

compensation for actual, necessary services rendered [and] reimbursement for actual, necessary expenses.” Section 330(a)(3) also sets forth the criteria for the award of such compensation and reimbursement:

In determining the amount of reasonable compensation to be awarded to [a] professional person, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including –

- (A) the time spent on such services;
- (B) the rates charged for such services;
- (C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;
- (E) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and
- (F) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

23. In the instant case, Morgan Lewis submits that the services for which it seeks compensation and the expenditures for which it seeks reimbursement in this Application were necessary for and beneficial to the preservation and maximization of value for all stakeholders and to the orderly administration of the Debtors’ chapter 11 estates. Such services and expenditures were necessary to and in the best interests of the Debtors’ estates and creditors. The compensation requested herein is reasonable in light of the nature, extent, and value of such services to the Debtors, their estates, and all parties in interest.

24. Compensation for the foregoing services as requested is commensurate with the complexity, importance, and nature of the problems, issues, and tasks involved. The professional services were performed expediently and efficiently.

25. In sum, the services rendered by Morgan Lewis were necessary and beneficial to the Debtors' estates and were consistently performed in a timely manner commensurate with the complexity, importance, and nature of the issues involved. Accordingly, approval of the compensation for professional services and reimbursement of expenses sought herein is warranted.

### **NOTICE**

26. Notice of this Motion will be provided to the following: (i) the U.S. Trustee; (ii) counsel for the Official Committee of Unsecured Creditors, c/o Cathy Herschopf, Cooley LLP, 1114 Avenue of the Americas, New York, NY 10036 (chershkopf@cooley.com) and Thomas C. Scherer, Bingham Greenebaum Doll LLP, 10 West Market Street, #2700, Indianapolis, IN 46204 (tscherer@bgdlegal.com); (iii) counsel to the Agent for the Debtors' prepetition secured lenders and the lenders providing debtor in possession financing, c/o Sean M. Monahan, Choate, Hall & Stewart LLP, Two International Place, Boston, MA 02110 (smonahan@choate.com) and Jay Jaffe, Faegre Baker Daniels, LLP, 600 E. 96<sup>th</sup> Street, Suite 600, Indianapolis, IN 46240 (jay.jaffe@faegrebd.com); (iv) the Debtors' thirty (30) largest unsecured creditors; and (v) all parties that, as of the filing of this Motion, have requested notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002.

27. No previous request for the relief sought herein has been made by Morgan Lewis to this or any other Court.

### **CONCLUSION**

WHEREFORE, Morgan Lewis requests that allowance be made to it in the sum of \$301,508.50 as compensation for necessary professional services rendered to the Debtor for the Interim Fee Period, and the sum of \$3,182.03 for reimbursement of actual necessary costs and



expenses incurred for the Interim Fee Period, and further requests such other and further relief as the Court may deem just and proper.

Dated: January 5, 2018  
New York, NY

Respectfully Submitted,

By: /s/ Neil E. Herman  
Neil E. Herman, Esq.  
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